GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1156
ANSWERED ON:26.11.2002
DISINVESTMENT POLICY
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO;C. KUPPUSAMI;PRAVEEN RASHTRAPAL;RAMSHETH THAKUR;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the disinvestment of several Public Sector Undertakings is held up due to non-implementation of the Government policy and objections raised from various quarters;

(b) if so, the reasons therefore;

(c) whether the Government propose to review policy of disinvestment keeping in view the strategic interest, self reliance and mounting unemployment;

(d) if so, the details thereof; and

(e) the time by which the final decision is likely to be taken in this regard?

Answer

MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINIST COMMERCE & INDUSTRY (SHRI ARUN SHOURIE)

(a) & (b) Disinvestment of Government equity in PSUs is a continuous process.There is an established procedure for detailed and frequent Inter-Ministerial consultations. Different points of view on the appropriate way to proceed or inferences drawn from experience are harmonized through inter-ministerial consultations. The Cabinet Committee on Disinvestment is itself a forum at which, apart from final decisions being taken, issues of policy or procedures are thoroughly discussed.

(c) The Government has already defined those PSUs which are strategic in nature and which are not to be disinvested. All other non-strategic PSUs can be disinvested to a level of 26% or lower, if necessary, on a case by case basis. Disinvestment cannot be directly associated with unemployment since the number of PSU employees has been on the decline from a level of 2.179 million employees in 1991-92 to a level of 1.742 million in 2000-2001 on account of restructuring of PSUs. While the process of disinvestment is too recent to enable detailed analysis, there is anecdotal evidence of significant efficiency enhancement in disinvested PSUs, which is beneficial for the economy. Wages and allowances of workers have been significantly increased in several of the disinvested PSUs.

(d) & (e) Do not arise.